



**STATE BOARD OF EQUALIZATION**

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May 2, 1980

TO COUNTY ASSESSORS:

No. 80/71

LEGISLATION AFFECTING REFUNDS  
OF THE 1978 UNSECURED TAXES

Assembly Bill 1973 (Chapter 60) was signed by the Governor on April 10, 1980. As an urgency statute it became effective upon being filed with the Secretary of State on April 11, 1980.

The legislation provides for three different items.

First, it adds Revenue and Taxation Code, Section 2237.5, which provides that, for the 1979-80 fiscal year and thereafter, the 1 percent unsecured tax rate may be increased by the tax rate on the prior year's secured roll that covered indebtedness approved by the voters prior to July 1, 1978.

Second, it adds Revenue and Taxation Code, Section 5098, which provides that, in the event the State Supreme Court eventually rules in favor of a reduced unsecured tax rate for the 1978-79 fiscal year, the county auditor may issue refunds without prior approval of the board of supervisors and without the necessity of a person filing a refund claim.

Third, it added Revenue and Taxation Code, Section 5098.5, which provides for the payment of interest at 6 percent on any refund of unsecured taxes pursuant to Section 5098. The interest would be calculated from the later of September 1, 1978, or the date the taxes were paid, to the date the refund is made. However, payment of interest is dependent upon approval of the board of supervisors.

On April 10, 1980, the State Supreme Court elected to hear the two cases dealing with 1978-79 unsecured tax rates. The two cases before the court are Hanson Manufacturing Company vs. Los Angeles County and San Diego County Board of Supervisors vs. Lonergan. In both cases the appellate courts ruled in favor of the reduced tax rate for 1978-79 unsecured assessments.

We will inform you of the Supreme Court's decision, which we understand may not be forthcoming before October 1980.

Sincerely,

*Verne Walton*

Verne Walton, Chief  
Assessment Standards Division

VW:dg